

Message Text

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41

ACTION NEA-10

INFO OCT-01 ISO-00 SS-15 EB-07 SP-02 L-03 /038 W

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R 041513Z NOV 76

FM AMEMBASSY DAMASCUS

TO SECSTATE WASHDC 366

INFO AMEMBASSY CAIRO

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STADIS//////////

FOR NEA/ARN AND AMBASSADOR MURPHY

E.O. 11652: N/A

TAGS: ETRD, SY

SUBJ: FORD'S EFFORTS CONTINUE FRUITLESS

REF: A. STATE 255053 B. STATE 192340

SUMMARY: FORD REPS DEPARTED DAMASCUS THIS WEEK WITHOUT MAKING PROGRESS ON FORD PROPOSAL TO TAKE VOER MAJOR INTEREST IN SYRIAN AL-FURAT TRACTOR PLANT. ARAB LEAGUE CENTRAL BOYCOTT OFFICE DIRECTOR TOLD THEM FORD COULD NOT BE REMOVED FROM BOYCOTT UNTIL IT STOPPED SELLING AUTO KITS TO ISRAEL. ILLNESS OR ABSENCE OF KEY SYRIAN OFFICIALS PREVENTED DISCUSSION OF SYRIAN OPENING TO FORD BASED ON DECREE 428. FORD REPS REPORT TRACTOR DIVISON PESSIMISTIC, BUT EMBASSY BELIEVES ANOTHER FORD EFFORT IN 4-6 MONTHS MIGHT PROVE FRUITFUL. RECOMMEND DEPT. CONTACT FORD TO PASS ON IMADI'S LATEST COMMENTS AND TO OBTAIN FULLER READING OF FORD'S CURRENT ATTITUDE. END SUMMARY.

1. FORD INTERNATIONAL DIVISION REP JAMES GOLDEN AND FORD TRACTOR REP PETER GOUGH RECENTLY COMPLETED A FRUSTRATING WEEK IN DAMASCUS. FORD REPS. RETURNED TO SYRIA AT INVITE OF MINECON IMADI WHO HAD ASKED THEM TO RETURN WITH PROPOSAL AND ALSO TO SEE ARAB LEAGUE
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BOYCOTT OFFICE.

2. GOUGH AND GOLDEN ARRIVED WITH REPORTEDLY ATTRACTIVE PROPOSAL WHICH INCLUDED POSSIBILITY OF TRACTOR EXPORTS TO ARAB WORLD AND EXPORTS OF COMPONENTS TO OTHER FORD FACTORIES. ACCORDING TO GOUGH, FORD TRACTOR DIVISION IS NOT ENTHUSIASTIC ABOUT SYRIAN PROJECT BECAUSE IT PREFERS TO PUT RESOURCES INTO PROFITABLE VENTURES SUCH AS IN PAKISTAN, BUT BEING "GOOD CORPORATE CITIZEN", IT HAS RESPONDED TO PARENT COMPANY WISHES AND MADE PROPOSAL.

3. VISIT GOT OFF TO BAD START WHEN FORD REPS. FOUND IMADI ILL (NOT RPT NOT DIPLOMATICALLY) AND UNABLE TO SEE THEM FOR MORE THAN A FEW MOMENTS. CONSEQUENTLY, FORD MADE PROJECT REPRESENTATION TO DEPUTY MINISTER AMMAR JAMMAL. WHEN REPS. CALLED ON BOYCOTT OFFICE, AT IMADI'S INSISTENCE, COMMISSIONER MAHJOUB TOLD THEM FORD WOULD HAVE TO STOP SHIPPING KNOCKDOWN AUTO KITS TO ISRAEL BEFORE FIRM COULD BE REMOVED FROM BOYCOTT LIST. OTHERWISE, MAHJOUB CONTINUED, SYRIA COULD DO AS IT PLEASED FOR ITSELF ALONE. FORD REPS SAID THEY HAD CONVEYED THIS POSITION TO DEPMIN JAMMAL.

4. FORD LOCAL ADVISOR MARDAMBAY, ACCORDING TO GOUGH, IS PESSIMISTIC ABOUT SYRIA GOING IT ALONE WITHOUT AT LEAST EGYPTIAN INITIATIVE FAVORABLE TO FORD. GOUGH SAID HE WILL FILE NEGATIVE REPORT AND EXPECTS FORD TRACTOR TO WITHDRAW OFFER. GOLDEN, ONLY SLIGHTLY MORE OPTIMISTIC, THINKS THAT SIX MONTHS HENCE, WITH IMADI BACK ON HIS FEET, WITH EGYPTIAN PROPOSAL GELLING AND WITH EGYPTIAN-SYRIAN RAPPROCHMENT CONTINUING, IT MIGHT BE POSSIBLE TO MAKE ANOTHER TRY, BUT HE TOO DOUBTS FORD TRACTOR IS PREPARED TO LEAVE OFFER ON THE TABLE.

5. EMBASSY DID NOT RECEIVE FINAL BRIEFING FROM FORD REPS PRIOR TO THEIR DEPARTURE, BUT GOLDEN DID TELEPHONE AMBASSADOR ON OCTOBER 30 TO SKETCH OUT RESULTS.

6. MINECON IMADI ASKED CHARGE NOV. 4 WHAT HAD BEEN OUTCOME OF FORD MEETINGS WITH BOYCOTT OFFICE. CHARGE LIMITED OFFICIAL USE

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REPLIED HE UNDERSTOOD THEY HAD BEEN NEGATIVE AND THAT THIS HAD BEEN COMMUNICATED TO DEPUTY MINISTER JAMAL. IMADI SAID HE WOULD DISCUSS QUESTION FURTHER WITH JAMAL AND ADDED HE HOPED FORD HAD LEFT SOME MATERIAL WITH MAINISTRY REGARDING BOYCOTT OFFICE' CONTINUED OBJECTIONS AND HOW THEY MIGHT BE OVERSOME SO THAT HE COULD FOLLOW UP. HE ASKED FOR FURTHER DETAILS THAN CHARGE COULD PROVIDE ON FORD'S CONVERSATIONS WITH BOYCOTT OFFICE

AND LATTER'S OBJECTIONS.

7. COMMENT: IT IS OBVIOUS IMADI IS NOT PREPARED TO WRITE FINI TO ENTIRE PROPOSAL. WE ARE NOT CERTAIN HOW MUCH GOUGH AND GOLDEN MAY BE SHIPSAWING SYRIANS AND EMBASSY WITH STORY OF DIFFERENCE IN FORD MANAGEMENT ON HOW LONG OFFER CAN STAND. SECONDLY, NOTHING HAPPENED ON SYRIAN SIDE NEGATIVELY OR POSITIVELY. BOYCOTT OFFICE RESPONSE FROM, WHAT WE KNOW OF IT, WAS NOT SURPRISING. IMADI'S ILLNESS AND ABSENCE OF UNICHEM DIRECTOR MAHAMMED AL-DEEK HAS AT LEAST EMPORARILY FORESTALLED SYRIAN MOVEMENT ON FORD ON LINES OF DECREE 428. SYRIANS NOW HAVE BEFORE THEM FORD'S PROPOSAL AND WE BELIEVE ANOTHER FORD EFFORT IN 4-6 MONTHS MIGHT PROVE FRUITFUL. MEANWHILE, SUGGEST REPARTMENT OR AMBASSADOR MURPHY CONTACT FORD REPS. FROM WASHINGTON TO INFORM THEM OF IMADI'S LATEST COMMENTS AND TO OBTAIN FULLER READING AS TO WHERE FORD NOW STANDS REGARDING PROPOSED SYRIAN VENTURE.

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